

2006-2007 PERFORMANCE PLAN – SENIOR INVESTMENT OFFICER, Global Equity (Wood)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
50%	Global Equity Performance	Return deviation in basis points relative to: Global Equity performance benchmark(GLOBLIC vs. CPERSGE2)	> - 50 basis points = 0 > - 10 basis points = 1.0 > + 15 basis points = 1.5
5%	Absolute Return Strategies	Return Relative to: Program Benchmark (SNLCA1 vs. CPERHEDG2)	>+ 0 basis points =0 >+ 50 basis points = 1.0 >+ 100 basis points =1.5
2.5%	Corporate Governance External	Excess return of CalPERS' external managers under the oversight of the Corporate Governance PM relative to their respective benchmarks. Governance funds asset weighted by invested capital. (SN6KA1 vs. CPERSECG or CPERSEC2).	>+75 basis points = 0 >+175 basis points =1.0 >+275 basis points = 1.5
2.5%	Corporate Governance Internal	Excess return of CalPERS Internal Relational Portfolio compared to the Wilshire 2500 (SW8B vs. \$Y082)	> 0 basis points = 0 >+100 basis points = 1.0 >+200 basis points = 1.5
25%	Total Fund	Excess return in basis points relative to: Total Fund Performance Benchmark. (SJ1CA1 vs. CPERSTO2).	> -40 basis points =0 > 0 basis points = 1.0 >+20 basis points = 1.5
85%	Subtotal	Quantitative Measures	

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership Including CalPERS Enterprisewide Objectives:	<p>Demonstrate leadership within CalPERS and in the external investment community. Dimensions include leadership:</p> <ul style="list-style-type: none"> • Within Investment Group • Trustees • CalPERS • External Investment Community • Diversity • Succession Plan • Strategic Plan <p><u>Enterprise Compliance:</u> By June 30, 2007:</p> <ul style="list-style-type: none"> • Identify all policies and regulations for my area/asset class and the tools and monitoring methods used to ensure compliance; • Ensure that all staff in my area of responsibility have completed ethics training and are knowledgeable regarding all policy, rules and regulations affecting their position; and • Perform compliance risk assessment of policies, rules and regulations in my area/asset class and submit to CIO. (Compliance Office will supply a template, criteria and training on compliance risk assessment by 1/1/07.) <p><u>Employee Survey Initiatives:</u></p> <ul style="list-style-type: none"> • Choose one high-impact activity from 14 Employee Survey Initiatives that is significant and meaningful to your asset class group; obtain CIO approval of specific goal relating to initiative for achievement by June 30, 2007. 	<p>Score (0 – 10)</p> <p>0 = 0</p> <p>5 = 1.0</p> <p>10 = 1.5</p> <p>From schedule</p>
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative & Qualitative Measures	

Supervisor's Approval: Original signed by Russell Read

Date: August 1, 2006